

Crystal Lake Consumers paying less for electricity
Northwest suburban residents benefit after switching from ComEd
By Andy Grimm and Amanda Marrazzo, Chicago Tribune
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For many northwest suburban residents, buying electricity has become cheaper, greener and more like buying non-utilities, such as cable television or long distance service.

Changes to state law have allowed competitors of Chicago-area utility giant ComEd to sell power at reduced rates, and many communities, like Arlington Heights and Crystal Lake, have brokered group "aggregation" deals to lock in even lower prices for power for residents.

In March, 53.87 percent of Crystal Lake voters gave local officials authority to negotiate an aggregate electrical plan. The city settled on FirstEnergy Solutions, said George Koczwara, deputy city manager of Crystal Lake.

As a result, energy bills for 13,843 properties dropped from ComEd's rate of 8.335 cents per kilowatt hour to 4.69 cents per kilowatt hour, an average savings of about \$330 a year.

Residents who switched began seeing the "massive reduction" in their energy bills in August and September, Koczwara said. Joining the plan was optional; 284 opted out of the program, and 1,170 accounts had already been switched to another supplier.

The two-year program is for residents and small businesses that use less than 15,000 kilowatts hours per year. The average home in Crystal Lake uses about 9,000 kilowatt hours per year.

First Energy Solutions was chosen out of four bids for their low cost to supply conventional energy. Should a customer want "green" energy, they pay a premium rate of 4.78 cents.

To ensure the city is protected, a rate matching plan was included in the contract.

"So if at any point the ComEd rate were to go lower than the 4.69, First Energy either matches the rate or moves everybody back to the ComEd rate," Koczwara said.

Dave Segal of Elgin is not only happy about the savings in his community, but is especially pleased Elgin's new electrical aggregation plan offers 100 percent renewable energy sources.

"It's very important for our energy future," Segal said.

Illinois residents have been able to choose alternative electricity suppliers other than regional powerhouse ComEd for a decade, but companies began marketing themselves more aggressively since around 2010, touting rates that are lower than ComEd's.

A year ago, only 54,000 consumers across the state had signed up to get power from a company other than ComEd or downstate provider Ameren. As of August, more than 804,000 had made the switch — most of them through community-wide aggregation deals.

If a community passes a referendum question allowing local officials to negotiate an aggregation deal — like in Arlington Heights, Barrington, Buffalo Grove and many other area communities — residents will automatically get the lower rate unless they opt out to stick with ComEd or sign up with another provider.

However, having to choose a power company means consumers have to educate themselves, said Jim Chilsen of the Citizens Utility Board, a state watchdog agency.

"There has never been a more confusing time to be an electricity consumer in the state of Illinois," Chilsen said.

ComEd's rate could change substantially after June 2013, when several expensive supplier contracts expire for the company, but the impact on prices of nearly a million customers jumping to alternative suppliers isn't known, either, Chilsen said.

And even now the rate for power, measured in cents per kilowatt hour can vary widely even among neighboring towns, Chilsen noted, depending on the going rate for electricity when the deal was signed and the duration of the contract.

The ComEd rate is 6.932 cents, and climbs to 8.32 for the months from October to May. Individual rates from ComEd competitors range from slightly more than 5 cents to more than 8 cents, according to the CUB website.

A number of communities have opted to pay a slightly higher price to get their power from renewable sources.

For instance, residents in Arlington Heights will pay 4.775 cents per kilowatt hour until August 2013, but Oak Park residents will pay 5.78 cents. Both communities will get their power from green energy sources and have contracted with the same supplier.

But Oak Park signed its deal earlier, when energy prices were higher, said K.C. Poulos, Oak Park's sustainability manager, who noted the village's contract also started earlier than some towns that got lower rates.

"So our residents will start saving sooner, so they will be saving money over a longer period" and may save more money over the life of the deal, Poulos said.

The various options mean that consumers have to be watchful. Individual contracts, and even some community aggregated plans, include opt-out fees of \$50 or more, and, like satellite TV or cell phone service deals, many individual contracts also lock customers into long-term deals, said CUB's Chilsen.

"For years you just had one choice, and it was ComEd," Chilsen said. "Choice in itself is not a good thing. It's got to be informed choice. Long-term savings are not guaranteed. Nobody should assume that these low prices are going to continue."

Andy Grimm is a staff writer. Amanda Marrazzo is a freelance reporter. Tribune reporter Kate Thayer also contributed.

